

EVM and GPRA

OMB Circular A-11, Part 3
and the
Capital Programming Guide

LEGISLATION

- BUDGET ENFORCEMENT ACT OF 1990
- GOVERNMENT PERFORMANCE AND RESULTS ACT OF 1993
- FEDERAL ACQUISITION STREAMLINING ACT OF 1994 (Title V)
- CLINGER-COHEN ACT OF 1996
- BALANCED BUDGET ACT OF 1997

Government Performance and Results Act of 1993

- Strategic Plans and Objectives
 - 6 Year Plans -- Updated every 3 years
 - Long-term programmatic, policy, and management goals
 - Planned accomplishments and the schedule for implementation.
 - Describe processes, skills, technologies, and resources that will be used.

GPRA

- Annual Performance Plans
 - Set annual measurable target levels of performance commensurate with the resources requested
 - Performance Reports to President and Congress - March 31
- Government-wide performance plan - OMB

FASA Title V

- Establish cost, performance, and schedule goals for major acquisitions.
- Comptroller/CFO evaluates the cost goals
- Achieve at least 90 % of goals
- Annual assessment to Congress by OFPP
- Policies and procedures to manage acquisition personnel

FASA Title V

- Provide an enhanced system of incentives which :
- Relates pay to performance (including the extent to which the performance contributes to achieving the acquisition goals.
- Consider in personnel evaluations and promotion decisions how performance contributes to achieving the cost, schedule and performance goals.

Balanced Budget

- NASA Discretionary Budget Authority
 - FY 1999 - 13.5 Billion
 - FY 2000 - 13.3 Billion
 - FY 2001 - 13.3 Billion
 - FY 2002 - 13.4 Billion
 - FY 2005 - 13.4 Billion
- Table S-2, FY 1999 Budget of the United States

Planning, Budgeting, Acquisition and Management of Capital Assets

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Director Raines

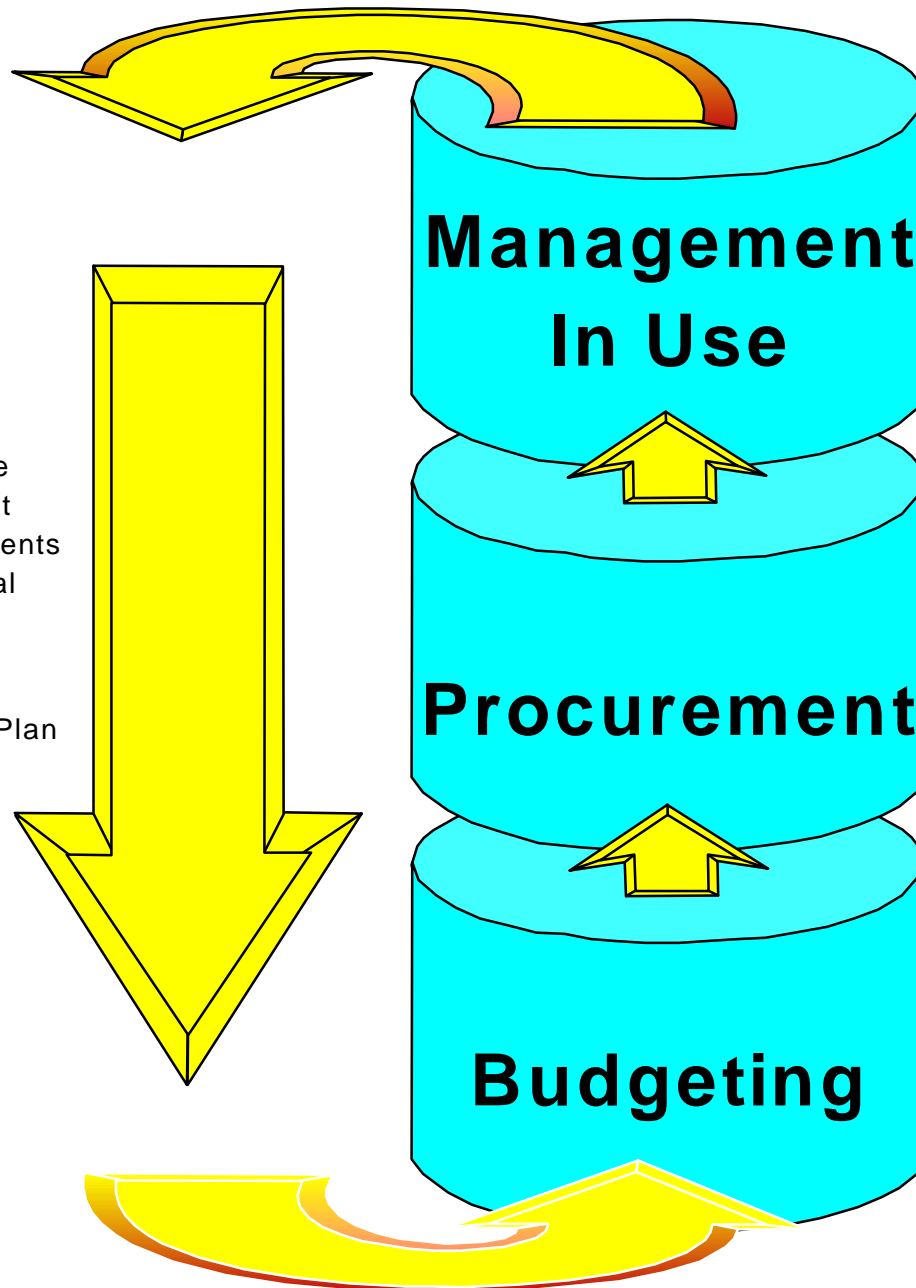
- Many programs have not had a clear sense of mission, and life-cycle costs have not been given sufficient consideration.
- Important that agencies do not underinvest in new projects or maintenance of existing assets.
- Agencies must have an effective process for making investment decisions that puts funds in the right places.

Capital Programming Process

- Uses long-range planning and a disciplined budget process to achieve performance goals with the lowest life-cycle costs and least possible risk.
- Provide agency management with accurate information on: **acquisition and life-cycle costs, schedules and performance of current and proposed** capital assets.

Planning

- ▶ Strategic & Program Performance Linkage
- ▶ Baseline Assessment
- ▶ Functional Requirements
- ▶ Alternatives to Capital Assets
- ▶ Choosing the Best Capital Asset
- ▶ The Agency Capital Plan



Management In Use

- ▶ Operational Analysis
- ▶ Execution of Operation and Maintenance Plan
- ▶ Post-Implementation Evaluation
- ▶ Execution of Asset Disposal Plan

Procurement

- ▶ Validate Planning Decision
- ▶ Manage the Procurement Risk
- ▶ Consider Tools
- ▶ Select Pricing Mechanism
- ▶ Issue the Solicitation
- ▶ Proposal Evaluation & Negotiation
- ▶ Contract Award
- ▶ Contract Management
- ▶ Acquisition Analysis
- ▶ Acceptance

Budgeting

- ▶ Agency Submission
- ▶ Passback
- ▶ Agency Revision
- ▶ Approved for President's Budget
- ▶ Congressional Approval and OMB Apportionment

New Acquisition Requests

- How asset will help meet a gap in the agency's ability to meet strategic goals and objectives?
 - progress in annual performance plan
- Three Pesky Questions
- Basis for selecting the project
 - Extent of market research
 - Emphasis on solutions currently available?

Choose the Best Capital Asset

- *Availability*: Can the market provide assets that partially or fully meet program requirements?
- *Affordability*: Are the assets affordable within budget limits?
- *Cost and Benefits*: Which assets that are affordable provide the “best value”?

New Acquisitions

- Risk Analysis
 - If high risk, can project failure be absorbed without loss of service capability or significant effect on the budget?
- What is priority of project within portfolio?
- Other information requested by OMB

New Acquisitions

- Program management
 - Dedicated Program manager and Contacting Officer
 - IPT
- Contract strategy
 - Performance-based
 - Contract Type
 - Fixed Price Preferred

Cost, Schedule and Performance Goals

- Provide baseline Cost, Schedule and Performance goals
 - Will be used in reporting to congress on achievement of 90 percent of goals
- Agency planning process is expected to produce acquisition plans with a high probability of achieving goals.

Performance-based Management System

- Identify and discuss PBMS to monitor achievement of, or deviation from baseline goals.
- Earned Value or other system
 - planned work
 - planned work actually accomplished
 - actual costs of work accomplished
 - establishes the deviation percentages

Full Funding

- Agencies are required to request full upfront budget authority for all ongoing and new proposals for capital assets, or
- At least each stage or economically and programmatically separable segment (or module) of a stage in the acquisition process.

In-Process Acquisitions

- Identify PBMS
- Provide current variance analysis
- Identify current estimates at completion
- Best Estimates Until PBMS In-Place
- For Performance Goals, report any contract deviations, modifications or waivers and estimate percentage change in performance

In-Process Acquisitions

- If not within 90 % of baseline goals
 - Provide corrective action analysis
 - Is project cost-beneficial?
 - Should project be continued or terminated?
 - Where will funds come from?
- OMB must approve revisions to goals
- Baseline goals always retained

Capital Programming Summary

- GOOD MANAGEMENT IS NOT ABOUT GUESSING, IT IS ABOUT KNOWING AS MUCH AS POSSIBLE
- MEASURE IT TWICE, BECAUSE YOU CAN ONLY CUT ONCE